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December 14, 2000

EX PARTE OR LATE FILED

Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 Twelfth St., S.W.  
Washington, D.C. 20554

Re: Federal-State Joint Board on Universal Service,  
CC Docket No. 96-45

Dear Ms. Salas:

On behalf of Western Wireless Corporation ("Western Wireless"), I am writing to notify you of two *ex parte* presentations regarding the proceeding referred to above.

Yesterday, Gene DeJordy, Vice President, Regulatory Affairs, Western Wireless; Joseph Red Cloud, Economic Development Specialist, Office of Economic Development, Oglala Sioux Tribe, and my colleague Michele Farquhar representing Western Wireless, met with Katherine Schroder, Chief, Accounting Policy Division, Common Carrier Bureau (APD/CCB); Anita Cheng, Assistant Chief, APD/CCB; Gene Fullano, Mark Nadel, and Richard Smith of the APD/CCB staff; Geoff Blackwell of the Office of Communications Business Opportunities; and Margaret Egler, Associate Bureau Chief, Consumer Information Bureau.

Today, Mr. DeJordy, Mr. Red Cloud, Ms. Farquhar and I met with Dorothy Attwood, Chief, Common Carrier Bureau ("CCB"); Carol Matthey, Deputy Chief, CCB; Ellen Blackler, Special Assistant to the Chief, CCB; and Jack Zinman, Counsel to the Chief, CCB.

The meetings discussed the Tate Woglaka Agreement between Western Wireless and the Oglala Sioux Tribe, under which Western Wireless recently began providing universal service on the Pine Ridge Reservation in South Dakota, and Western Wireless' plans to obtain eligible telecommunications carrier

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Magalie Roman Salas  
December 14, 2000  
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Chief, CCB; Ellen Blackler, Special Assistant to the Chief, CCB; and Jack Zinman, Counsel to the Chief, CCB.

The meetings discussed the Tate Woglaka Agreement between Western Wireless and the Oglala Sioux Tribe, under which Western Wireless recently began providing universal service on the Pine Ridge Reservation in South Dakota, and Western Wireless' plans to obtain eligible telecommunications carrier designation for that offering. The attached materials were distributed at the meetings.

If you have any questions, please contact me.

Respectfully submitted,



David L. Sieradzki  
Counsel for Western Wireless Corporation

Enclosures

cc: Dorothy Attwood  
Carol Matthey  
Ellen Blackler  
Jack Zinman  
Katherine Schroder  
Anita Cheng  
Gene Fullano  
Mark Nadel  
Richard Smith  
Geoff Blackwell  
Margaret Egler



BACKGROUND INFORMATION

FOR

COMMEMORATIVE  
PROCLAMATION

HONORING THE

TATE WOGLAKA SERVICE  
AGREEMENT

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## **THE TATE WOGLAKA SERVICE AGREEMENT**

Western Wireless Corporation ("Western Wireless") and the Oglala Sioux Tribe ("OST") recently entered into the Tate Woglaka ("Talking Wind") Service Agreement for the provision of wireless local loop telephone service on the Pine Ridge Indian Reservation in South Dakota. Given the cost of providing an affordable telephone service on the Pine Ridge Reservation – a rural, high cost area – the agreement contemplates that Western Wireless will obtain Eligible Telecommunications Carrier ("ETC") status and gain access to universal service support.

### **Service Offering**

OST played a significant role in developing the Telecommunications Services Plan for the Pine Ridge Reservation and will continue to do so. The service includes:

- All of the services and functionalities included in the federal definition of universal service, plus unlimited local usage
- Access to a Local Emergency Service Provider on the Reservation
- Minimum or no installation costs
- An expanded local calling area, including the entire Pine Ridge Indian Reservation and surrounding areas as well as Rapid City, S.D. (approximately 100 miles from the Reservation)
- Long Distance Service, Prepaid Services, Enhanced Services, Advanced Telecommunication Services Capability
- 24-Hour Customer Service

### **Rates**

- \$14.99 monthly for basic service
- \$0.15 per minute for long distance service (subject to review every six months)
- Competitive monthly service rates for enhanced services
- Wireless Local Loop Equipment provided at no charge or at a nominal monthly fee

### **A Cooperative Undertaking**

The Service Agreement embodies the results of a truly joint effort by Western Wireless and the Oglala Sioux Tribe. The Agreement will be implemented and enforced under OST jurisdiction.

- Western Wireless will operate and maintain the wireless backbone network
- Western Wireless will hire tribal members for sales support, training, and system maintenance, until the Tribe, itself, takes over this function
- OST will operate and maintain the customer side of the network
- OST will advertise and sell service on the Reservation
- OST will receive fees for installation and all customer service related to installation and maintenance
- OST will receive leasing fees for the wireless sites on the Pine Ridge Reservation
- OST will also receive fees generated from the wireless local loop telephone service offering

The Agreement contemplates that OST may not be in a position to assume all responsibilities at the time of signing. Therefore, it provides for Western Wireless to initially provide all functions while simultaneously training OST members so they can quickly assume their responsibilities.

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# *~Commemorative Proclamation~*

*honoring the*

## *Tate Woglaka Service Agreement*

This commemorative proclamation symbolizes the historic significance of the special relationship forged between Western Wireless Corporation and the Oglala Sioux Tribe while striving to reach the common goal of bringing affordable telecommunications services to all residents of the Pine Ridge Indian Reservation.

*WHEREAS*, the Oglala Sioux Tribe is a sovereign political entity that governs certain real property located in Shannon, Jackson, and Bennett Counties, South Dakota, commonly referred to as and within the original exterior boundaries of the Pine Ridge Reservation as more specifically described in the Constitution and Bylaws of the Oglala Sioux Tribe;

*WHEREAS*, Western Wireless is a wireless telecommunication service provider with cellular licenses issued by the Federal Communications Commission covering more than 85 Indian Reservations and Native American communities, including the Pine Ridge Indian Reservation;

*WHEREAS*, Western Wireless and the Oglala Sioux Tribe have established a joint undertaking, subject to the jurisdiction of the Oglala Sioux Tribe, to develop telecommunications infrastructure on the Pine Ridge Indian Reservation capable of serving the universal service needs of the residents of the Reservation, including access to emergency services, and the evolving telecommunications needs of the Reservation, such as access to advanced telecommunications services;

*WHEREAS*, Western Wireless and the Oglala Sioux Tribe recognize that it is a policy of the federal government to ensure that all Americans, including Native Americans, have access to telecommunications services necessary for political, economic and social development; and

*NOW, THEREFORE*, Western Wireless and the Oglala Sioux Tribe recognize this **Commemorative Proclamation** at the Senate Indian Affairs Committee Hearing Room in the Russell Senate Office Building, Washington, D.C. on December 13, 2000, before the witnesses identified herein to celebrate the significance of the Tate Woglaka Service Agreement to the Oglala Lakota people.

*Duly Signed By:*

*Duly Signed By:*

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Mikal Thomsen, President  
Western Wireless Corporation

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Garry Janis  
Tribal Council Member, The Oglala Sioux Tribe

*Duly Witnessed By:*

*Duly Witnessed By:*

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The Honorable William E. Kennard  
Chairman  
Federal Communications Committee

## **The Voice of Native Americans**

"[We] want the option of having a Western Wireless closed loop wireless system for the 160,000 acres of our reservation. We have seen and have studied what Western Wireless did for Regent, North Dakota and we want the same." *Comments made to the FCC by the Confederated Tribes of the Goshute Reservation, September 2000*

"[T]he Crow Tribe enthusiastically supports Western Wireless' efforts to provide affordable wireless telecommunications and an expanded local calling area to the Crow Reservation. [We] believe that wireless technology will provide much needed and long awaited affordable telephone coverage to many of its tribal members who have gone without telephones in their homes for decades. Currently, many tribal households simply cannot afford telephone services through the local carriers due to the limited local calling area. The fact that Tribal members incur unwanted long distance charges for making personal and business calls to others within their own Reservation, and beyond, makes it cost prohibitive for them to own a telephone. The anticipated introduction of wireless services through Western Wireless will provide the much need[ed] competition that is missing from our Reservation." *Comments made to the FCC by the Crow Tribal Council, September 2000*

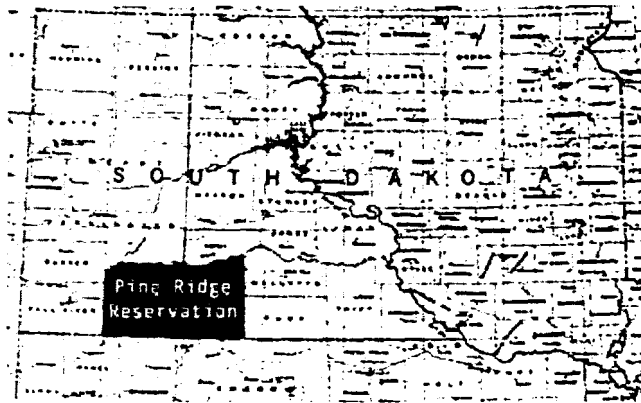
"Our reservation has enacted measures to insure that all our people are connected. This begins with our 'choice' of service [and] making this choice is our sovereign right. We have explored the market and considered ideas, which would best suit our reservation telecommunications needs. We have determined wireless to be our best option." *Comments made to the FCC by the Assiniboine and Gros Ventre Tribes of the Fort Belknap Indian Community of Montana, September 2000*

"[Our] planned agreement with Western Wireless for the provision of wireless local loop telephone service promises to bring affordable telephone service to all residents that want such service – an option that is not available to our residents today." *Comments made to the FCC by the Oglala Sioux Tribe of South Dakota, September 2000*

When a tornado flattened much of Oglala in 1999, "Western Wireless put up a temporary tower and never charged anybody. I figured a company that did something like that is worth looking into." *Remarks of Joe RedCloud, Member of the Pine Ridge Sioux Tribe, Quoted in "A Higher Calling," The Net Economy, Dec. 4, 2000*



"We are Lakota and we have much to offer.  
Our children need a better future. We will not remain  
as we are. It is not as the Great Spirit would have us be.  
Our future is not as a welfare nation. Together,  
our vision and unity will result in our renewal and  
our making a contribution to the world."  
-Michael Little Boy, Porcupine, South Dakota, 1997



## pine ridge Reservation

### THE OGLALA PEOPLE

In southwest South Dakota, on the Nebraska border, the Oglala, the largest tribal group in the Lakota Nation, live on a reservation called Pine Ridge. Located in Shannon County, it is the poorest county in the United States. Of the thirty thousand Oglala people on the reservation, almost two-thirds are homeless or are living in housing that is unsuitable for human habitation. Often, ten to twenty people (two to three families) coexist in a small three bedroom HUD house. Outhouses, pump water, wood-burning stoves are a way of life. For hundreds of families a shower or bath is a bucket brought in the house and heated on a wood stove. The impact of sub-standard housing and 85 percent unemployment is a life span twenty years shorter than the national average, and an epidemics of tuberculosis and diabetes. There is an appalling lack of fresh fruit and vegetables, no public transportation and no recreational facilities, not even a movie theatre.

What these conditions create is despair. For many it's "giving up." For most, it's eight generations of chronic welfare.

### The Human Cost

**Total population** on the Pine Ridge Reservation is thirty thousand.

**Percentage** of sub-standard homes: 40 percent

**Infant mortality** three times the national average

**Six-hundred-eighty times** more tuberculosis than in the general population

**The highest rate** of alcoholism in this country

**Twice** the national norms of diabetes

**Average spent** per person for health care is one-half of what is spent for health care nationally

**One-fifth** of the homes lack indoor plumbing

**One-fifth** of the houses lack telephone

**Lack** of a well-balanced diet

**Estimated** seventeen individuals in one family home

**No** public transportation

**No** industry

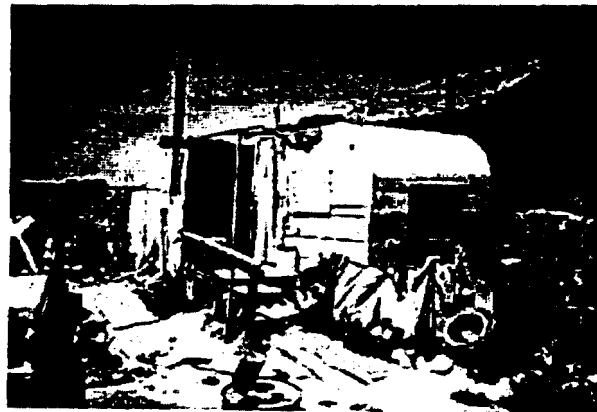
**A lack** of stores to purchase furniture, appliances, clothes, shoes, auto parts, lumber, school supplies

**Lack** of recreational facilities--no movie theater

**A life span** twenty years less than the national average.

From *The Magazine*, Sept 18, 1995 and a local tribal college study, 1995

"We did not ask you white men  
to come here. The Great Spirit gave  
us this country as a home.  
You had yours."  
-Crazy Horse



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## THE SCHOOLS

The schools on the Pine Ridge are spread out over the entire

thirty-two hundred square mile reservation. More than three-quarters of the children attending Pine Ridge schools travel to and from school by bus. These children live in isolated clusters of homes or on plots of land miles from their nearest neighbor, land that has been owned by their families for many decades. In winter, when the temperature often reaches sixty degrees below zero with wind chill, children may not even be able to get to the bus stop from their home. Many of the dirt roads are only passable by four-wheel drive vehicles, a luxury affordable by very few Oglala families.

The schools on the Pine Ridge Reservation have a more varied role than those in most non-reservation communities. In addition to educating children:

**The schools** may provide the main or only meals for the children

**Schools**, such as Loneman School in Oglala, also provide meals for impoverished families and the elderly

**The school locker** room showers may be the only place for the student to bathe

**For the child** living in a dilapidated log house or mobile home, the school provides warmth and dryness during rainstorms or the harsh South Dakota winter

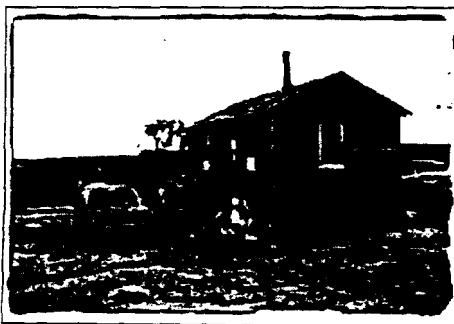
**Dormitories** at the OCS-Pine Ridge School are available to students who reside so far out in the country that the daily bus ride is too long

**The dormitories** are also available to children living in seriously sub-standard housing

**A visit** to the school nurses office is often the only opportunity for the student to receive medical care

**The school** is often the only place for the child to learn about the Oglala Lakota culture

**The school dorm** becomes home for abused and neglected children.



Today, reservation schools offer a pathway out of poverty, but this pathway has its obstacles. Housing for teachers is in short supply. Non-native and non-Lakota teachers often experience a sense of isolation from their own family, friends and culture. The Pine Ridge schools, like so many non-native schools throughout the country, are constrained by meager and inadequate funds. Arts programs are often the first casualties. Of the 5,577 students on the Pine Ridge, approximately 3,030 students do not receive any instruction in arts education. This is a tragedy when one considers, or has been exposed to, the rich artistic heritage of the Oglala culture. The Hecel Oyakapi will provide a solution to this

problem.

## CHALLENGES FACING PINE RIDGE SCHOOLS

From a 1993 Bureau of Indian Affairs study on Indian education:

**Pine Ridge Schools** are in the bottom 10 percent of school funding by U.S. Department of Education and the Bureau of Indian Affairs.

**Teacher turnover** is eight times higher than the national average

**A poll** of 500 seventh and eighth graders resulted in 460 stating that they saw little or no career opportunities on Pine Ridge

**The dropout rate** is the highest in the nation

**Severe reservation poverty** impacts the students' ability to learn

**Multiple generations** of forced welfare dependency shrinks the child's vision of a career and the value of education

**Psychological services** to provide treatment for emotionally troubled students is almost non-existent.

## THE STUDENTS

**Every year** on the Pine Ridge Reservation, over 50 percent of American Indian youth drop out of middle and high school. Of the 250 who enter the ninth grade in Pine Ridge, only five graduate. Many of those never return to school. These young people face an assault on their cultural heritage. Many Oglala children arrive at school undernourished, fatigued and emotionally troubled because of their home life. Homelessness, poverty, gang infiltration in their schools and neighborhoods and insufficient parental guidance make a euphemism of the designation "at-risk." In addition to losing their cultural identity, these children are forced into a dependency upon a familiar welfare system, the environment in which they grew up, as did many of their parents before them.

The reservation environment, its isolation from the rest of the nation and the conditions of poverty create a feeling of despair and hopelessness. These feelings are not endemic to a child's personality; they are not genetic. They need to be learned by living in a circumstance where one feels trapped, not valued, a second-class citizen with no future.

A visit to the elementary student's dormitory at OCS-Pine

Ridge School reveals children who laugh, play and who reach out for adult contact and affection. The youngest want to sit close to adults, to have stories read to them or to show the adults the pictures they have made in class. They have an overwhelming enthusiasm for life.

On the other hand, a visit to the high school wing and to the dormitory there reveals the effects of the world the older students see; an epidemic of alcoholism, unemployment, government food handouts and the inevitable slide into the reservation welfare system.



Still some few Oglala students do succeed. They go to Oglala Lakota College or South Dakota State University. The exceptional few may even go to Harvard or Stanford. Some will join the military, others may obtain one of the few jobs available on the Pine Ridge; but for the rest, the ones weakened by poverty, cold, alcoholic parents and infrequent meals, what of them? They need a hand, not a handout. The Mobile Arts Education Program and the other projects of Hecel Oyakapi provide that hand.

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# **WESTERN WIRELESS CORPORATION PROFILE**

## **OVERVIEW**

- Founded in 1994
- Headquartered in Bellevue, Washington
- 1999 revenues of \$544 million (up from \$63 million in 1994)
- Publicly traded on the NASDAQ ("WWCA")
- The Company operates two primary businesses: Rural Telecommunications Service; and Western Wireless International

## **RURAL TELECOMMUNICATIONS SERVICE**

### **Cellular Service Market**

- The Company operates cellular systems in 19 western states and provides wireless local loop service, including universal service, in several states.
- The Company holds FCC licenses to serve 103 cellular markets and served over 976,500 customers through 3<sup>rd</sup> quarter 2000 (see the attached map).
- The Company's cellular licenses cover over 85 Indian Reservations and Native American communities.

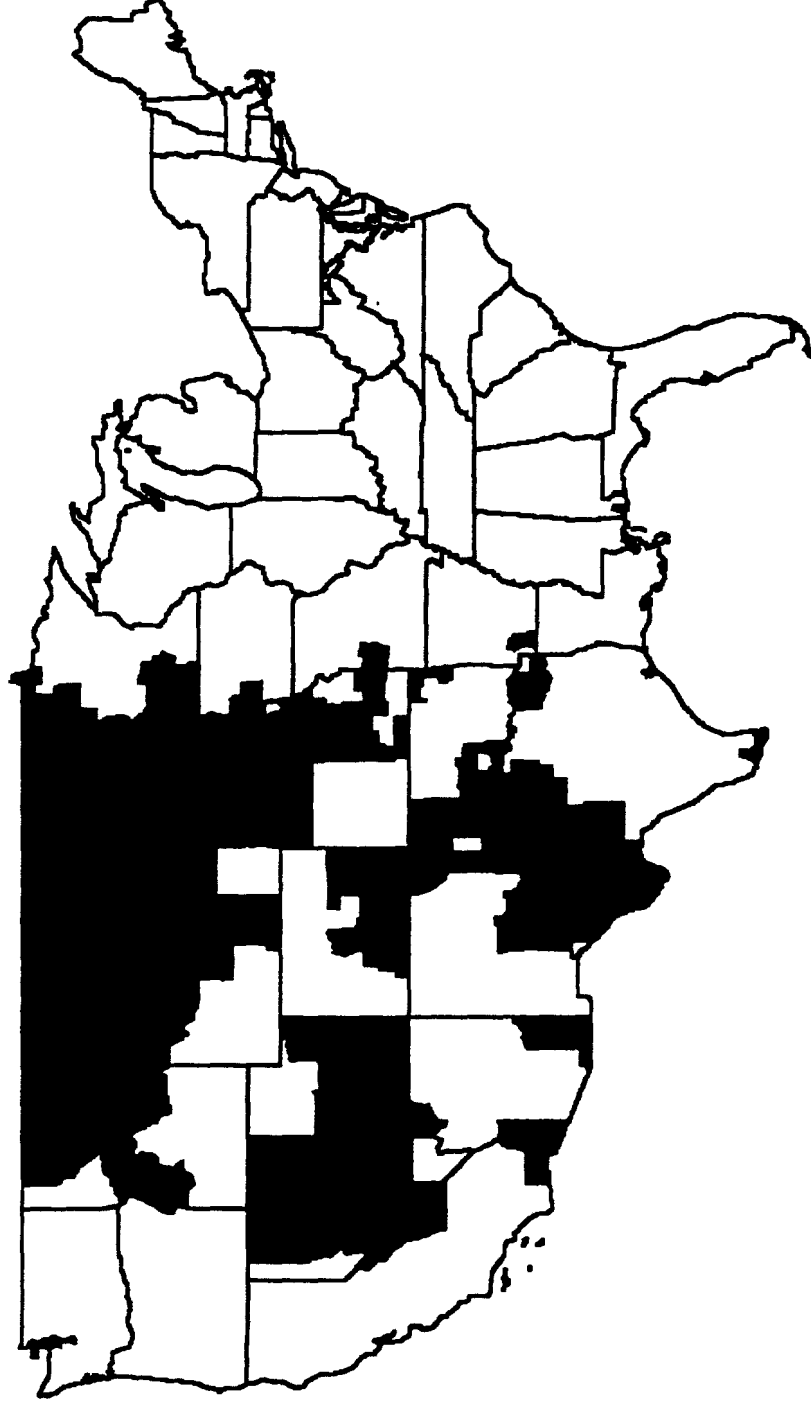
### **Universal Service Market**

- The Company has obtained designation as an Eligible Telecommunications Carrier or ETC for purposes of universal service support in 10 states.
- The Company is currently providing universal service in Minnesota and Kansas and will soon launch universal service in several other states in which it has obtained ETC status.
- The Company has established relationships with several Indian Reservations to provide wireless local loop telephone service, including universal service, on Reservations.
- The Company is actively participating in the establishment of a competitive universal service system and was a member of the Rural Task Force assigned to make a recommendation on a universal service support mechanism in areas served by rural telephone companies.

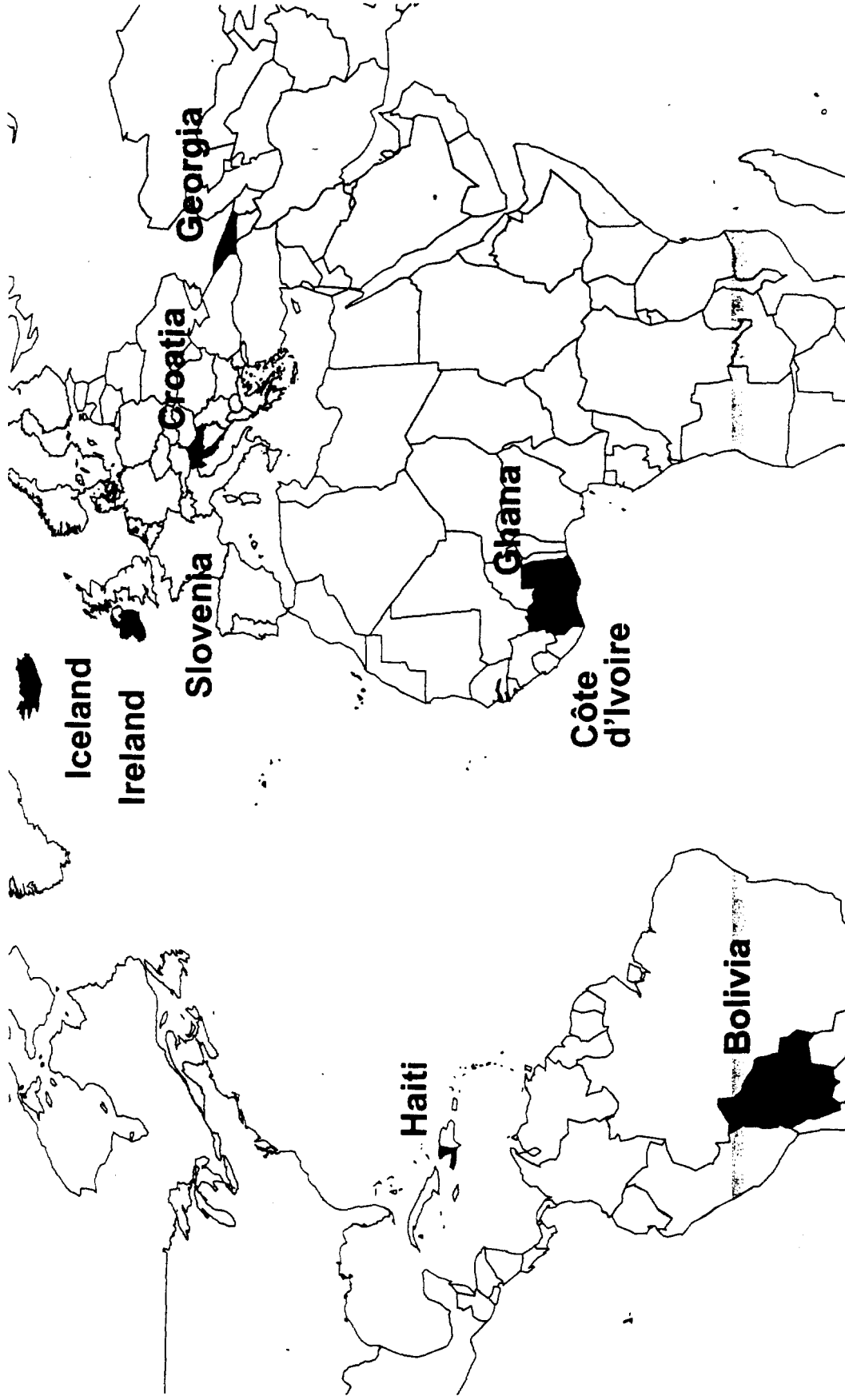
## **WESTERN WIRELESS INTERNATIONAL**

- Western Wireless International owns or operates licenses in nine countries. The Company began providing service in 1997 and is currently providing service in Croatia, Georgia, Iceland, Ghana, Boliva, Cote d'Ivoire, and Haiti, with Ireland and Slovenia under construction (see the attached map).

## Western Wireless' Cellular Markets



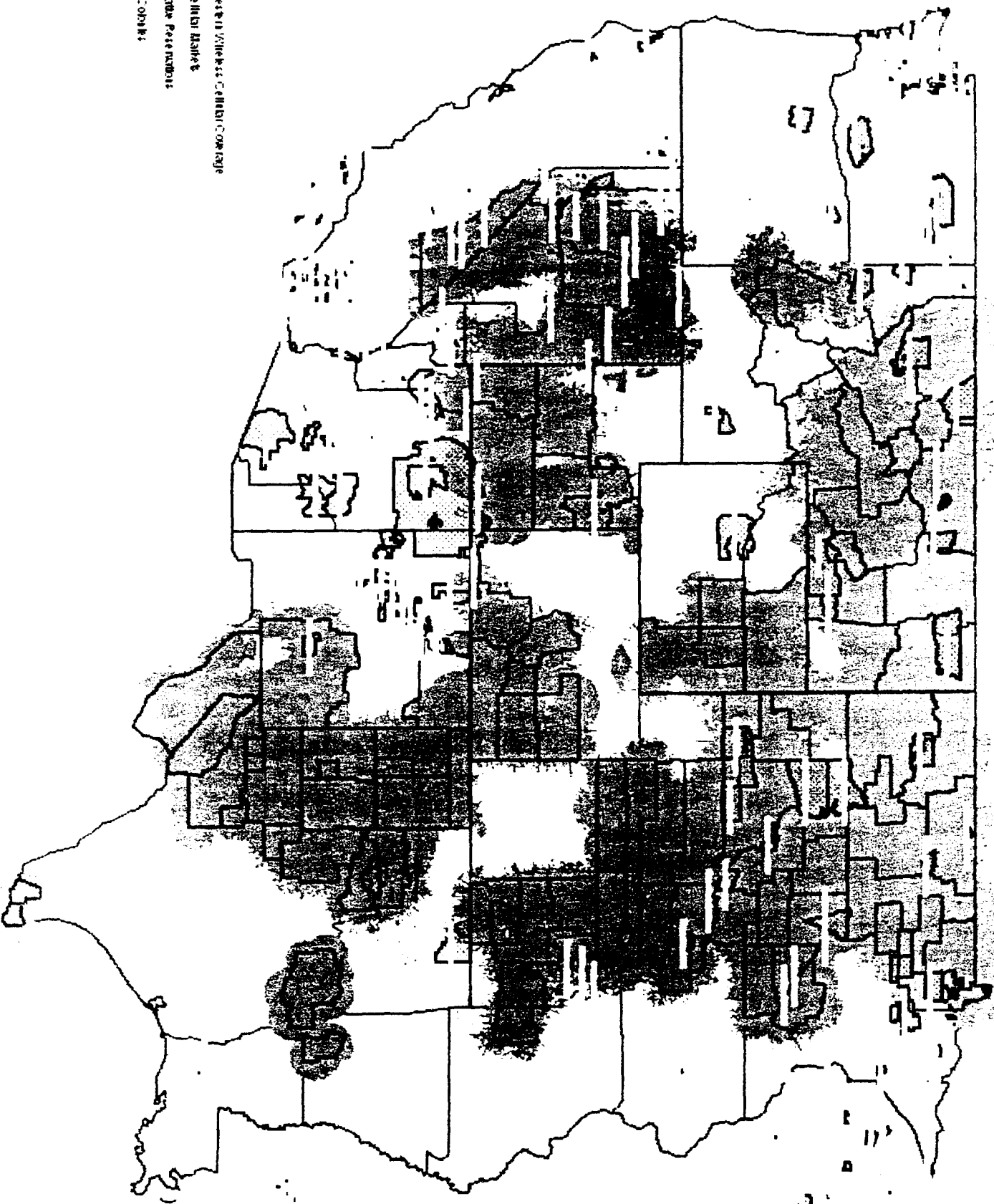
# Western Wireless' International Markets



**western'**  
**wireless**  
INTERNATIONAL



# Western Wireless Corporation Native Reservation Coverage



Western Wireless Cellular Coverage  
Cellular Market  
Native Reservations  
Map Copyright

## INDIAN RESERVATIONS IN WESTERN WIRELESS SERVICE AREAS

### Arizona

Kaibab-Paiute  
Havasupai  
Hualapai

### California

Bishop  
Big Pine Rancheria  
Fort Independence Reservation  
Lone Pine

### Colorado

Southern Ute

### Idaho

Nez Perce  
Duck Valley (Also in Nevada)

### Kansas

Iowa Tribe  
Kickapoo  
Pottawatomie

### Minnesota

Red Lake Band  
Upper Sioux  
Lower Sioux  
White Earth  
Leech Lake

### Montana

Flathead  
Rocky Boy's  
Fort Peck  
Northern Cheyenne  
Blackfeet  
Fort Belknap  
Crow Tribe

### Nebraska

Santee Sioux  
Winnebago Nebraska  
Omaha

Nevada

Walker River  
Goshute Paiute of Utah and Nevada  
Elko  
Battle Mountain  
Winnemucca  
Lovelock  
Pyramid Lake  
Reno-Sparks Indian Colony  
Las Vegas Paiute  
Yomba  
Washo  
Fallon  
Duckwater  
Odgers Ranch  
Summit Lake  
Fort McDermitt  
Ely Colony  
Te-Moka  
Yerington

New Mexico

Mescalero Apache  
Jicarilla Apache  
Taos Pueblo  
Picuris Pueblo

North Dakota

Fort Berthold  
Devil's Lake Sioux  
Lake Traverse  
Turtle Mountain  
Fort-Totten

Oklahoma

Kaw Nation  
Ponca Tribe  
Tonkawa Nation  
Cheyenne – Arapaho  
Caddo  
Wichita  
Apache  
Comanche  
Kiowa  
Ft. Sill Apache  
Chickasaw Nation

South Dakota

Cheyenne River Sioux  
Crow Creek Sioux  
Lower Brule  
Oglala Sioux Tribe  
Rosebud  
Standing Rock  
Yankton  
Sisseton Wahpeton

Utah

Navajo Nation (also in Arizona, New Mexico, and Colorado)  
Paiute

# AMERICAN INDIAN REPORT

Indian Country's News Magazine

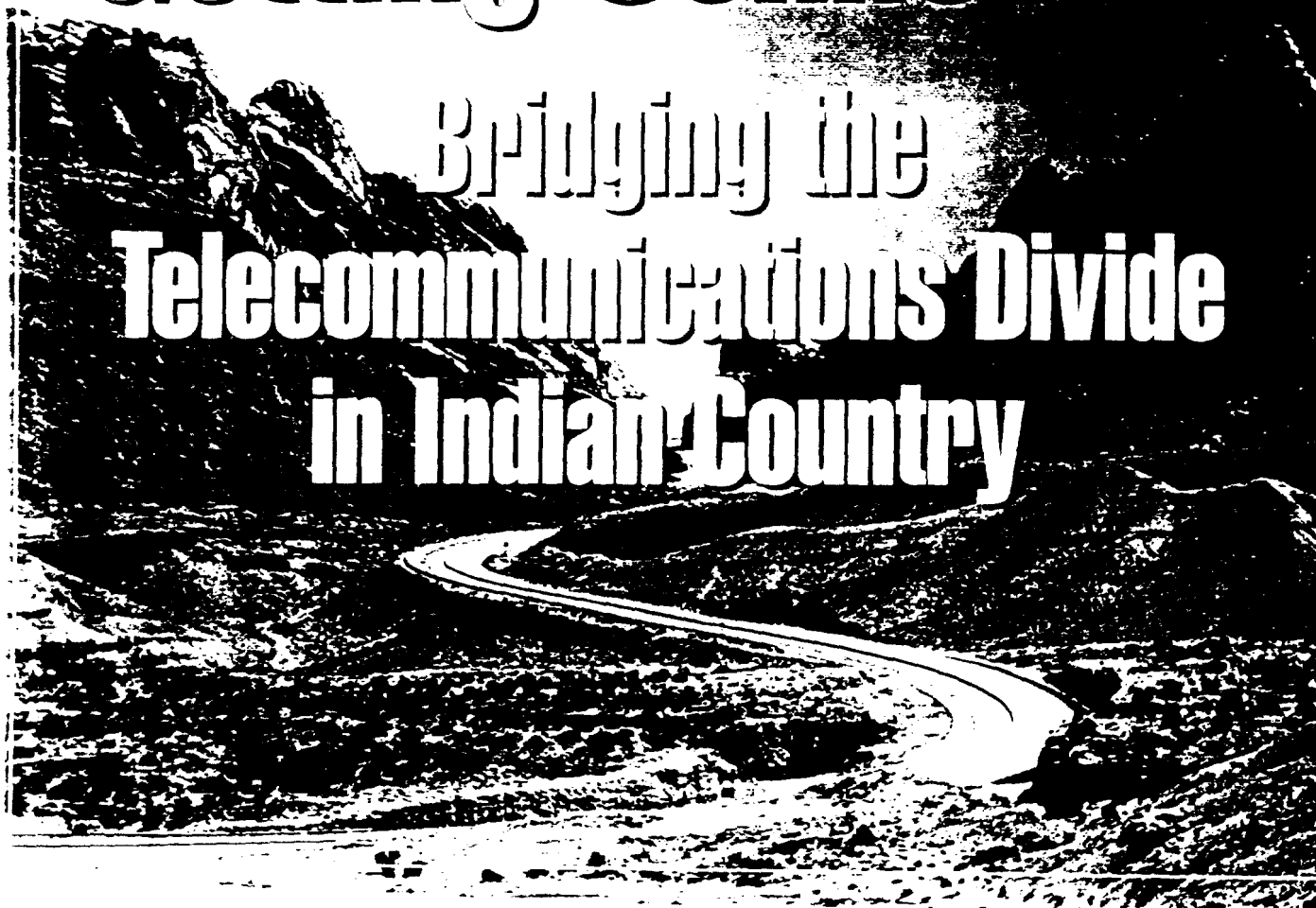
MARCH 2000

HUD Defends Record  
on Pine Ridge

Apache Hope for  
Fort Sill Restoration

## Getting Connected

Bridging the  
Telecommunications Divide  
in Indian Country



# Getting Connected

## Bridging the Telecommunications Divide

By Rea Howarth

**T**RIBAL GOVERNMENTS HAVE worked hard to get their governmental offices and local schools into the Internet age, but finding the talent and the money to develop the infrastructure necessary to make telecommunications advances work for them is a complicated task.

For example, there are tribal schools equipped with computers but they have too few telephone lines to be able to link up to the Internet, or their wiring isn't capable of supporting the high speed video transmissions necessary for conducting distance learning in classrooms. Or the wiring and computers may be in place, but the teachers don't know how to use them. Or tribal communities get all the bells and whistles that upgraded wireline telephone fiber optics and high speed data transmission lines can provide, but subscribers still face exorbitant toll charges for calls to nearby towns.

The biggest problem of all, however, is that far too many reservation households don't even have access to a phone, let alone the Internet. All over Indian Country, too many people are dying because when someone has a heart attack or there is a fire, people must rely on runners to carry the call for help.

To put things in perspective, the U.S. Department of Commerce reported last year that about 94 percent of all U.S. households subscribe to telephone service. Rural American Indian households rank far below the national average, with only 76 percent having phones in their homes. On too many reservations, telephone subscriber rates fall under 50 percent.

After conducting field hearings and initiating two rulemaking proposals, the Federal Communications Commission (FCC) in Washington, D.C., is serious about encouraging



FCC Commissioner Gloria Tristani.

competition through making universal service subsidies available to wireless and satellite telecommunications carriers to achieve wider access to telephone service for people living in remote sections of Indian Country.

FCC Commissioner Gloria Tristani said that she expects final rules to be published by late summer.

"I can't predict how fast we can move this, and I'm one of five commissioners," Tristani told *American Indian Report*. "But I know that everybody has an interest in having this done sooner rather than later."

The rulings can't come a moment too soon for Joe Red Cloud, utilities project coordinator for the Oglala Sioux Tribe at Pine Ridge Reservation in South Dakota. There, an 80 percent unemployment rate and the custom of clans living in small groups in often remote hamlets have combined to keep about 68 percent of reservation households without basic telephone service.

"We've been living like we're in the 30s and 40s," Red Cloud said in an interview. "Within a short period of time, we're going to leap into the mid-90s and, in a few years, we'll be approaching the 21<sup>st</sup> Century." The reservation will still be technologically behind urban areas, he predicts, "but at least we'll be coming out of the technological dark ages." He believes that if universal service subsidies are available, wireless communications promise affordable access to voice phone service on remote parts of the reservation.

Pine Ridge, the second-largest reservation within the continental United States is currently served by three traditional wireline service providers. Of the three, Golden West is the largest, providing the tribe with its only Internet connection — which in recent months has suffered service interruptions that the company had not yet resolved, Red Cloud said.

The prospect of competing for universal service dollars has Golden West management —

traditional rural carriers that are designated eligible telecommunications carriers (ETCs) — worried about potential revenue losses.

"I had a sit down talk with Golden West," Red Cloud said. "They've invested a great deal of money into the communications infrastructure. They have a lot of fiber optic cable in Pine Ridge and larger villages, around our tribal schools and our college campuses. ... After looking at the map Golden provided, it was easy to see that the high speed end of service was superior. I congratulated them on their initiative and energy, but our problem isn't the infrastructure. Our problem is getting people to phones."

Strikes and hearings have highlighted three traditional reasons behind the lack of telephone service in Indian Country: the remoteness and difficult terrain of tribal lands with populations scattered over wide areas; difficulty controlling long distance toll charges; and the impact of obsolescence.

Further obscuring the picture is a complicated legal maze for carriers doing business on reservations. And for many people, including tribal leaders, there is too little information about existing programs that could make hook-up and basic phone service from existing carriers available to special areas where the use and maintenance of optics from the reservation to the nearest toll calls.

Today, only traditional landline telephones and some wireless carriers are eligible for federal subsidies that

help offset the costs of providing telephone service to low-income residents throughout the United States. States designate eligible telecommunications carriers and some assert jurisdiction over tribal lands, but others do not.

Federal law stipulates that homes on reservations be provided for Medicaid and are qualified to receive reduced prices for hook-up and basic service. This program is subsidized through the Universal Service Fund, a national funding pool paid for by other telephone subscribers. One further glitch is that the FCC's rules limit the amount that incumbent telecommunications carriers may receive in universal service subsidies, keeping them far lower than the actual cost of providing modern services in rural areas.

It is likely that the FCC will make universal service subsidies available to wireless and satellite telecommunications companies by granting them status as eligible telecommunications carriers (ETCs) on rural tribal lands. The reason is simple. It's just too expensive to extend traditional wireline service to remote areas with few households able to afford it.

"Some areas are just too huge to serve with a wireline traditional system, and the Navajo reservation comes to mind as a good example," FCC Commissioner Tristani told A/R. "We're also looking and asking the question about whether universal service support or additional support should be targeted to these hard-to-reach areas," Tristani added. In addition, the FCC is considering relaxing its tower height restrictions for wireless carriers from its current 300 foot limit, and permitting stronger signals in rural areas.

During two hearings that the commission held in Indian Country last January and March, Tristani said she and her fellow commissioners learned "that there is not enough information out there about current programs — Lifeline and Link-up — which can really help people not only get a telephone, but stay on line. ... We were very surprised to hear that on some

country. And the Link-up program gives money or helps you get the installation."

"That won't solve all the problems, but it means," Tristani said, "but that will help you just to get that kind of information."

Not surprisingly, the proposal to grant ETC status to wireless and satellite communications companies has triggered resistance from existing providers who could face a loss of revenues if reservation households switch to wireless service because they can gain access to wider local calling areas.

Paul Shultz, director of communications and membership for the National Telephone Cooperative Association, said that 20 of NTCAs members serve Indian Country. "Long distance charges are a problem," he admitted. But state governments set boundaries for wireline carriers, and the rural companies must petition state legislatures to change them.

Although the National Tribal Telecommunications Alliance (NTTA), a group that represents five tribally owned telecommunications companies, does not oppose granting ETC status to wireless providers that have entered into agreements with tribes, NTTA and individual tribes have warned the FCC it should independently consult with tribal leaders before granting

ETC status to companies that wish to sell their services to individual tribes. That means more than just relying on a letter from a tribal official.

"FCC should contact tribal leaders to ensure that both Indian tribes and the Commission have sufficient information to meet their respective public interest obligations concerning universal service on Indian lands," NTTA officials said.

J.D. Williams, general manager of the Cheyenne River Sioux Telephone Authority (CRST), said some rural telephone providers have made excuses for low telephone subscription rates. "The easy

way out was to say that Indians are very rural and don't want to keep up with technology." His experience shows him that tribal members want "class" services.

"People want connectivity. They want caller ID. They want paging. ... They want mobile telephone service, just like anybody else," he said. "We are a young population." The big-

## RESERVATION TELEPHONE SERVICE

	Land (acres)	Reservation population	# homes w/o phones	#homes on reservation	% homes w/o phones
Confed. Tribes of Goshute Res. (UT)	160,000	120	38	52	73.0%
Crow Tribe (MT)	1,200,000	10,000	1,105	1,700	65.0%
The Navajo Nation (NM/AZ/UT/CO)	17,300,000	228,010	43,688	56,372	77.5%
Ft. Belknap Indian Community (MT)	697,617	3,300	309	701	44.0%
Kickapoo Tribe (KS)	3,614	975	40	100	40.0%
Leech Lake Band of Chippewa (MN)	602,880	8,669	650	1,300	50.0%
The Lovelock Paiute (NV)	22	212	33	45	73.0%
Northern Cheyenne Tribe (MT)	450,000	4,500	1,050	1,500	70.0%
Oglala Sioux Nation (SD)	896,000	32,100	4,100	6,000	68.0%
Red Lake Band of Chippewa (MN)	800,000	7,200	640	1,600	40.0%
Rocky Boy's Chippewa Cree (MT)	121,956	3,442	-	529	-
Rosebud Sioux Tribe (SD)	3,200,000	18,995	652	1,185	55.0%
Shoshone-Paiute (NV)	289,000	1,800	45	450	10.0%
Three Affiliated Tribes (ND)	93,700	4,600	900	1,400	64.0%
Turtle Mt. Band of Chippewa (ND)	140,000	8,000	1,500	4,800	35.0%
Winnebago Tribe (NB)	27,500	1,250	123	364	42.3%
TOTALS	25,982,289	333,173	54,873	78,098	
AVERAGE					53.8%

\* Information pending tribal verification

Indian reservations, they really don't know about the programs. So there would be the case that a lot of people are actually in areas where it's not a question of getting a line into the house, but it's a question more of, 'we can't get the phone because we can't pay the \$17.'"

"Lifeline can give you up to a \$10.50 discount off your basic phone service in some areas of the

## Getting on the Net

**T**HE BUREAU OF INDIAN Affairs has been working to bring the Internet and distance learning to its 187 schools and 30 tribally owned colleges through a project called Access Native America.

Jim Roubidoux, with the BIA Office of Indian Education Programs, manages the project out of the Albuquerque office.

"The charter says our goal is to provide Internet access to the schools and surrounding communities," Roubidoux said. That means year-round access. So far, 151 of the 187 schools have been cabled for local area networks and 102 of the schools have a "wide area network" through the Department of Interior's Internet service.

Getting phone access is the biggest problem," Roubidoux said. "We have over 40 schools where we can't get land lines."

"There are some reservations in North and South Dakota where we've had circuits on order for two years," a good indication, he says, that they aren't likely to get them. A lot of the wire that was installed in Indian Country was put in place during the '90s. Rural phone companies need new wire and switching hardware. They also must clean up wiring breaks between telephone poles, a labor-intensive job requiring lots of bucket trucks and technicians.

The human ear can tolerate a lot of blurriness, he pointed out, but computer transmission requires clean lines and reamplification of the signal every three miles.

The solution for data transmission is probably satellite," he said. "We're going to be paying in the neighborhood of \$2,000 a month for a satellite connection with 128 kb outbound and 512 kb inbound. That's in the neighborhood of a T-1 circuit which runs about \$1,500 to \$3,000 a month."

Roubidoux has noticed a big difference at schools already on the net. "I see a lot more enthusiasm, a lot more vibrance than before, and a lot more participation in science fairs."

gest issue is cost. CRST charges \$15.50 for basic service in towns and \$15 in the country, and gets Universal Service funds to help offset costs.

"Lower income people are demanding Link-up and Lifeline programs," he said.

Williams urges tribal governments to educate themselves about the pros and cons of various approaches.

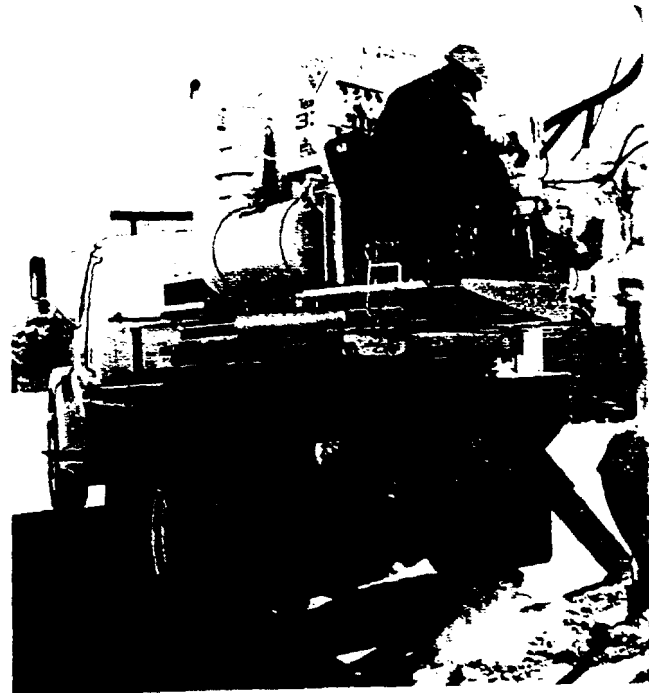
"They need to really become aware of the need of people to have connectivity and what that means for future generations to have accessibility to the knowledge base of the world," he emphasized. "And from that point, they should move quickly to adopt tribal philosophy and policies to acquire that. That can be bought through teaming arrangements — working with a corporation, or cooperative phone company, or an industry player that can work with them to provide the services."

**T**he Navajo Nation's situation illustrates the challenges leaders face.

Citizens Communications, doing business as Navajo Communications, serves about 23,000 subscribers on the Navajo Nation, about 23 percent of the total households.

Despite the low subscriber rates, Citizens told the FCC that all of its central office switches are digital, permitting subscribers services such as call forwarding, call waiting, voice mail and conference calling. The company also upgraded its services to BIA schools on the reservation but has been unable to upgrade its 911 service.

Aloa Stevens, director of external affairs for Citizens, told the FCC that tough federal and tribal requirements on right-of-way make it difficult and costly to extend service, even short distances. Stevens also said that theft and vandalism at remote equipment sites are "common and dramatically increases the cost of service." Special construction charges to hook up unserved households can cost consumers anywhere from



Drilling a hole for a power pole.

\$1,500 to \$157,000, depending on the length of the extension, he said.

Despite qualifying for Lifeline and Link-up programs, such high connection costs place wireline phone service out of reach.

But Tico Charlee, director of communications and utilities for the Navajo Nation is dissatisfied with the company's level of service.

"They cannot provide any Internet access," he told *AIR*. "They do provide some wireless communications and are approved for ETC." But the company's seven-year payback requirement for installations translates into the company only being willing to go up to 1500 feet to add unserved homes to main lines, less than a quarter mile. In one instance he looked at, Charlee said a consumer with a home only 400 to 500 feet from the main cable was going to be charged \$3,000 to be hooked up.

In one instance, a consumer with a home only 400 to 500 feet from the main cable was going to be charged \$3,000 to be hooked up.

"We went back and had them redraw the whole thing," Charlee recalled. They found that "the left hand wasn't telling the right hand what was going on." Citizens' managers were then asked by the tribe "to look at what was going on," Charlee said. "They apologized and gave [the consumer] a month's free service."





The tribe also has begun "stepping in and forcing [the carrier] to work with Link-up and Lifeline applications," he said.

Because of the difficulty in assuring satisfactory telephone service to its members, the tribal government which oversees more than 17 million acres in three states, is considering a range of options, Charlee said. "We've looked at wireless, fiber, copper, satellite — a whole array, and we're going to have to interlink it all together," Charlee said. "That's a very, very big order."

Western Wireless, doing business as Cellular One, provides cell phone service to part but not all of the Navajo Nation, Charlee said, and there have been problems. "Right-of-way is one of the biggest problems for cultural preservation," Charlee noted. "Cellular One put two towers up illegally and we made them take them down," he said.

"Towers pose a problem — we don't want a picket fence [effect]; we're trying to camouflage them to blend into the mountains." Dial tone from cellular phone services located in border towns frequently extends into reservation lands, he added. Tribal consumers sometimes buy a \$40 package, Charlee said, only to be socked with a \$300 phone bill for long-distance roaming charges.

**S**overeignty is a huge issue. Some states assert sovereignty over the selection of eligible carriers serving Indian Country; others do not. Complicating the picture is the fact that wireless telecommunications have so far been regulated by the FCC, because airwave transmissions cannot stop at state or reservation boundaries.

In some cases, frequencies have been auctioned for reservation service without tribal governments ever being aware of it. Samuel N. Penney, chairman of the Nez Perce Tribal Executive Committee, said in a letter to the FCC, "Tribes need not only to be provided with information when a provider requests a license from the FCC, but with an opportunity to help shape the FCC's response to any request regarding service on their reservations."

Telecommunications companies that take the trouble to educate themselves about how tribes do business, stand a far better chance of working out mutually beneficial arrangements.

Charles W. Blackwell, the Chickasaw Nation's ambassador to the United States, has

been hired to provide cultural consulting services to Western Wireless, which does business as Cellular One. The company's service area covers 19 Western states, encompassing all or part of 70 reservations.

The company is lobbying the FCC to grant ETC status to wireless carriers in areas that are unserved or under-served. If they get it, wire line companies in those areas could be in real trouble, because cellular companies can offer wider local calling areas than wireline companies.

Blackwell sent survey forms to the tribes in Western Wireless' service area to assess the number of homes without phone service. Seventeen tribes responded. The percentage of homes reported without telephones ranged from 10 percent for the Shoshone-Paiute in Nevada to 75 percent for the Navajo Nation.

Western Wireless recently petitioned the FCC for ETC status with the Crow Tribe in Montana, with the tribe's assent, Blackwell said. The Crow, with a population of 10,000 on 1.2 million acres, estimate that 65 percent of their households are without phones. For the Crow, the question is simply affordable access to basic voice telephone service.

Western Wireless also is poised to work out a deal with the Pine Ridge Reservation, if it can get ETC status. "I was impressed with Western Wireless because they realized they

were going into a new market and they had hired a cultural consultant [Blackwell]," Joe Red Cloud told ATR.

"His father was a principal at one of our local elementary schools. Charles has a firsthand knowledge of the problems we're trying to surmount. ... They came and were completely open to any thoughts on how we think it ought to work and are respectful of the way we live our lives out here."

Western Wireless has promised that if it receives ETC status with tribal support, calls originating and ending within the reservation would be exempt from tolls and there would be unlimited access to local calls.

"That settles the vast bulk of my problem," Red Cloud said. With basic phone service, residents can reach their doctor at the hospital in Pine Ridge or schedule an appointment at a clinic, or get help in an emergency.

He recalled a recent tragedy where a small family was living in an older trailer home. "They had run out of money for their propane gas and were using a wood stove inside. They had no telephone service." There was an accident and the trailer caught on fire — and no one could call for help.

"Three people died in that fire and the house was destroyed," Red Cloud said. "I have promised myself that this is the last year that this will happen. There will be no more fatalities for lack of a phone."

## Do It Yourself?

**B**EFORE THE TOHONO O'ODHAM TRIBE BOUGHT OUT US WEST'S EXchanges in 1987, there were only 390 telephone lines on the reservation. US West provided eight-party service and charged by the mile, recalls Chuck Wiese, general manager of the Tohono O'odham Utilities Authority.

"One of our foremen was on standby. His bill for dial tone was \$125 a month for eight-party service." Today, the tribal utility serves more than 3,500 telephone lines, with basic service priced at \$13.50.

The tribe added two remote offices, connecting them by fiber optic lines and then built out to all the major villages. There are 70 villages within a 4,500 square mile territory, roughly the size of Connecticut. Radio telephone service is available to the most remote customers.

The company also provides a local Internet service and high capacity lines to the nation's offices and schools, including T-1 connections which support high quality interactive video links to distance learning sites.

"We have not raised rates since we started the operation," he said. "We finance this through the Universal Service Fund. If it weren't for the Universal Service Fund, we would have a difficult time. You get your money from providing dial tone and you also charge long distance providers for switch access."

"Times are changing," Wiese commented, and "it takes a lot of money. We put in a new switch, and it's going to cost us \$1.7 million. We're also running fiber to Tucson to increase our capacity for the foreseeable future and that will cost about \$1.5 million. There's a lot of money involved in engineering, archeological and environmental site reviews."

One place to start looking for help is the Rural Utilities Service, an agency of the U.S. Department of Agriculture. RUS provides low-interest loans to rural co-ops to promote universal availability of telecommunications and information services.

# the [Net Economy]

NETWORKS • SERVICES • APPLICATIONS • REVOLUTION

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## A Higher Calling



Joe RedCloud left the Pine Ridge Sioux Reservation for a corporate career. But then something brought him back

December 4, 2000

By Tim Kridel

The digital divide is a chasm that can't be measured in a physical sense, but its presence is all too palpable, especially to those on the wrong side of the gap. The following pages highlight some valiant efforts by three

remarkable individuals to bridge the net economy's great divide.

Oglala, S.D., is 1,600 miles from Sand Hill Road, 1,900 miles from Route 128 and a lifetime from 277 Park Avenue, where Joe RedCloud once had an office. After a decade on the East Coast working for AT&T and Continental Grain, the sixth-generation descendant of Edgar RedCloud, who went to Washington, D.C., to fight for the tribe's land, returned in 1996 to the Pine Ridge Sioux Reservation for what was supposed to have been a stopover on his way to law school.

But RedCloud quickly discovered that he couldn't ignore his roots or his tribe's impoverished living conditions. Housing and Urban Development statistics rank Pine Ridge among the poorest counties in the U.S. Unemployment on the reservation approaches 85%, and families often eke by on just \$9,000 a year. It's hardly a place you'd expect to find a telecom success story in the making.

"In most of America, telecom is kind of like an appliance," RedCloud says. "On our reservation, the telephone is almost a luxury."

One tribe member showed RedCloud bids he had received for phone

service. "To run a wireline telephone to his house, they want \$6,000 up front, although they would pay that back \$15 a month," RedCloud says. "He said, 'Joe, I don't have that kind of money to lay out for a phone.' I said, 'You shouldn't have to.'"

Getting from "shouldn't" to "don't" proved difficult. Following a visit by President Clinton, the tribe's president called RedCloud into his office.

"Can you fix this telephone problem?" the tribe's president asked.

"Fix it?" RedCloud said. "No, but I can give you some ideas."

"Go out and do it."

"What do you want done?"

"I don't care. Just go out and fix it."

"But I've never done this before."

"I trust you."

#### **Without Foundation**

In Pine Ridge, the cost of a new phone line depends on the type of house and foundation. Much of the tribe ends up paying a higher bill because many live in one of the dozens of new mobile homes brought in to replace those lost when a tornado flattened much of Oglala in 1999.

That storm became a turning point. "When the emergency people got here, they couldn't communicate with anybody," RedCloud says. "Western Wireless put up a temporary tower and never charged anybody. I figured a company that did something like that is worth looking into."

RedCloud had met earlier with a manager from Golden West Telephone, one of three local phone companies serving Pine Ridge. "They showed us all the infrastructure they'd built," RedCloud recalls. "It was impressive. There's fiber to every major community inside the reservation, and the communities were interconnected by fiber."

But RedCloud wanted something else: a commitment by Golden West to make basic phone service available and affordable to more of the tribe, many of whom live in isolated areas. "I asked Golden West on three separate occasions to bring me a proposal for how to address the problem," RedCloud says. "They never did."

Meanwhile, President Clinton's visit prompted an FCC study into Indian communications needs. Golden West claimed an 86% penetration rate on the reservation. "I saw the report, and my eyes almost fell out of my head," RedCloud says. "Anybody who lives on the reservation knows that's one of the biggest acts of fiction."

Tribal estimates put penetration closer to 22%. RedCloud thinks that

Golden West arrived at 86% by dividing the number of homes on the reservation by the total number of phone lines. "The vast majority of those lines belong to schools, colleges, hospitals, government offices," he says. "In my building alone, there's at least 10 lines."

### Universal Frustration

Meanwhile, Gene DeJordy was facing his own frustration in Montana, where Western Wireless was fighting to tap the universal service fund. When RedCloud approached DeJordy, a Western Wireless vice president, the carrier already had a tower on the southeast corner of the Pine Ridge reservation. By adding one each at the remaining corners, virtually every resident would have access to wireless service.

Not bad, considering that the topography includes plains, woodlands, hills, valleys and badlands. "If we can get wireless to work on this reservation, it will work on any reservation," RedCloud says.

The true test comes this month, when the first residents plug their wireline phones into laptop-sized units that link them to the wireless network. For a \$10 activation fee and \$14.99 a month, subscribers in Pine Ridge get unlimited service to anywhere on the reservation and Rapid City. By comparison, Cricket Communications' flat-rate, local-only wireless service, available in three Tennessee cities, is \$29.95.

There's more: The service is a joint venture between Western Wireless and the tribe, which means they can begin acting as a reseller inside a year. Western Wireless also agreed that any disputes would be settled by the tribe's court, not the South Dakota Public Utilities Commission.

Even so, some tribal leaders wanted to own the network or at least get a share of its revenues. That's a common request — and often a deal-breaker. "What distinguished Joe from other people I've dealt with is not only is he an advocate for his cause, he's also very reasonable in understanding what it takes to do a deal," DeJordy says. "Joe realized that although they want to own the system, they're just not in the position to do that. Some communities and reservations that we've talked to have said, 'We don't want to do business with you unless we can own your system.' Well, then we're not doing business."

And Western Wireless hasn't, at least until now. Pine Ridge is the first community in South Dakota and one of only a handful in the country where a wireless carrier has nabbed the Holy Grail: true competition to local providers.

Western Wireless has ample experience finding a business case in serving areas with low population densities. "It's easy to say, 'This just doesn't work,' " DeJordy says. "You have to assume some risk. You have to think outside the box. You have to think of ways to make it work. If you do those three things, you'd probably find that you can provide service where you thought you couldn't."

Early results are encouraging. "In less than one week, we have over 400 customers," DeJordy says. "I've never seen anything like that."

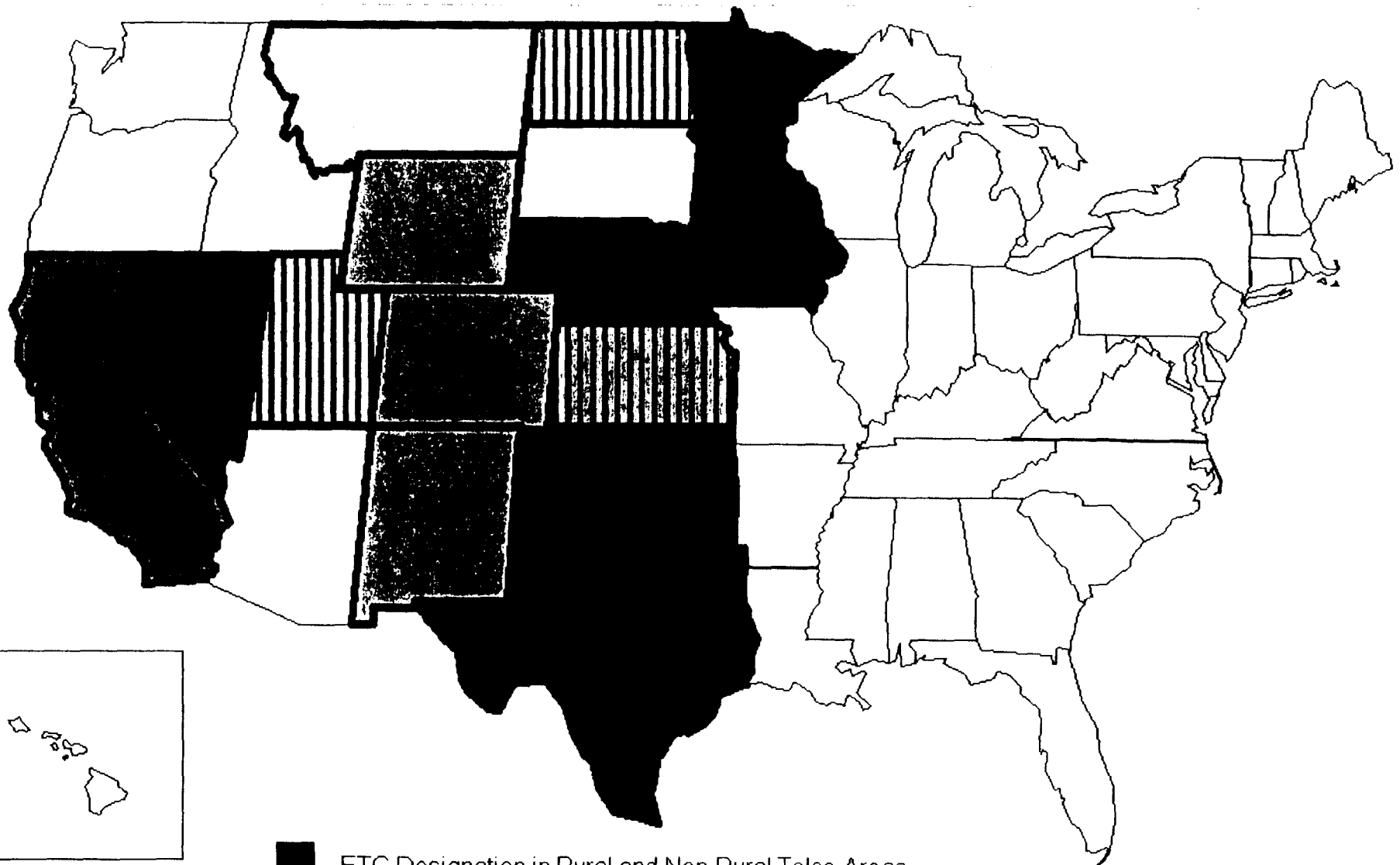
Even in densely populated areas, very seldom do you see companies selling on average 75 to 100 accounts a day. Joe obviously did something right here."





# ETC STATUS CHART

As of December 12, 2000

State	Rural Telco Areas	Non-Rural Telco Area	State USF Support	Outstanding Issues
California	Not Applicable	Granted	Not Applicable	Application for state USF support to be filed
Colorado	Pending	Pending	Available to designated carriers	Application pending
Iowa	Granted	Granted	No state USF at this time	
Kansas	Pending	Granted	Yes	Pending application in rural telco areas
Minnesota	Granted	Granted	No state USF at this time	
Montana	Application dismissed by WWC	Application dismissed by WWC	No state USF at this time	Working with staff on possibly refiling application
Nebraska	Granted	Granted	Yes	
Nevada	Granted	Granted	Yes	
New Mexico	Pending	Pending	Available to designated carriers	Application pending
North Dakota	Denied; Court remanded case to PSC	Granted	No state USF at this time	On appeal, the Court remanded the case back to PSC where the matter is currently pending
Oklahoma	Granted	Granted	Yes	
South Dakota	Denied, state court overturned denial; PUC appealed to state supreme court	Denied, state court overturned denial; PUC appealed to state supreme court	No state USF at this time	FCC issued declaratory ruling that the basis for PUC denial of ETC status was unlawful; appeal of FCC order pending in federal court; PUC appeal pending at state supreme court
Texas	Granted	Granted	Yes	
Utah	Denied: appeal pending	Granted	Yes	
Wyoming	Pending	Pending	Available to designated carriers	Application pending at FCC for federal universal support; state PSC found that they did not have jurisdiction to consider WWC's ETC application
Crow Reservation	Pending	Pending	No state USF at this time	Application pending at FCC

# Western Wireless ETC Status 12-8-2000



-  ETC Designation in Rural and Non-Rural Telco Areas
-  ETC Designation Non-Rural Telco Areas Only
-  ETC Issues Pending at Federal and/or State Level
-  Pending ETC Applications

**TESTIMONY OF**  
**MIKAL THOMSEN**  
**PRESIDENT AND CHIEF OPERATING OFFICER**  
**WESTERN WIRELESS CORPORATION**

**Federal-State Joint Conference on Advanced Services**  
**Midwestern Regional Field Hearing**  
**South Sioux City, Nebraska**  
**April 19, 2000**

Western Wireless Corporation  
3650 131<sup>st</sup> Avenue, SE  
Bellevue, Washington 98006  
425-568-8700 (tel)

rev. May 22, 2000



**Testimony of Mikal Thomsen, President and COO, Western Wireless  
Federal-State Joint Conference on Advanced Services  
Midwestern Regional Field Hearing  
South Sioux City, Nebraska  
April 19, 2000**

Good afternoon. I appreciate the opportunity to address our distinguished guests, including you, Chairman Kennard, Sen. Kerrey, Commissioner Sanford, as well as officials from Iowa and Nebraska. I remember a time, not so long ago, when many felt that there would be no wireless services in rural America. Indeed, the FCC did not even license the first rural markets until seven years after the first metro areas received service. Today, it is widely recognized that wireless holds a key to not only the deployment of basic services to **all** Americans, but also to the future availability of advanced services in rural America. Unfortunately for rural America, advanced telecommunications services are available to only a small segment of that population. While advances in wireline technology will close the digital divide with respect to some consumers, wireless technology is best suited for, and in many cases is the only means of serving the telecommunications needs of rural consumers.

Western Wireless is committed to deploying advanced telecommunications services in rural America. Our company is a rural telecommunications service provider with state-of-the-art facilities in place throughout its 19-

state, 800,000 square mile coverage area. We provide cellular service to nearly 900,000 customers today. But basic cellular mobility service is only a part of our story. Over five years ago, Western Wireless launched wireless local loop service in the Reese and Antelope Valleys of Nevada, where it is the sole provider of basic telephone service. More recently we launched service in Regent, North Dakota, where we are a competitive provider of basic telephone service. Earlier this month we were designated as an Eligible Telecommunications Carrier or ETC in Minnesota, and have already started to offer service to communities in that state. Additionally, Western Wireless has been working closely with several Native American reservations to make affordable telephone service available to all tribal residents and will soon launch wireless local loop service on those reservations.

Western Wireless' trials and tribulations with respect to entering the universal service market are well-documented and I will not discuss them here today, but I will discuss how the designation of Western Wireless as an ETC in Minnesota has led to the provisioning of competitive telecommunications services in some of the most rural areas of the state and will lead the availability of advanced telecommunications services.

The principal gating factor in making advanced services available to all consumers in rural areas is the availability of network facilities capable of supporting high-speed data services. Until recently, the focus of policymakers was to provide financial support to only the incumbent local exchange carrier with the hope that this carrier would provide all of the services, both basic and advanced, that consumers want. It is clear, though, that new and innovative services, including many advanced services, will not naturally evolve in a non-competitive market, such as the local exchange market we see in most rural areas. However, when competitive carriers have entered these markets, new and advanced services have generally been made available to consumers. We believe the message is clear.

Policymakers must take steps to encourage competitive carriers to enter rural markets. This new competition will lead to reduced prices, better service, and the availability of new and innovative services, including advanced services.

Now, I'd like to talk about what Western Wireless is specifically doing to bring advanced services to rural America. Western Wireless has backed up its advocacy for the establishment of competitive local telephone markets in rural areas with the deployment of new, innovative and competitive services.

In Minnesota, Western Wireless has launched wireless local loop service in 21 rural communities in the first two weeks following their official ETC designation. We will launch service in 12 more communities in April and many more in the months that follow. In each of these markets, we have launched a competitively priced service with a local calling area several times larger than that currently offered by the incumbent LEC. For the first time ever, these residents will enjoy the benefits of competition when making their choice of basic telecommunications services. Designation as an ETC and the resulting availability of universal service support will lead directly to the construction of additional cell sites and transmission facilities. This in turn, will enable Western Wireless to serve not only the basic telephone needs of all consumers but will also allow Western Wireless to serve the advanced telecommunications needs of consumers. Where today rural consumers are lucky if they are able to gain access to the Internet at speeds of 28.8 Kbps, Western Wireless' planned universal service offering will support data rates of up to 156 Kbps in many markets by the end of next year. As 3<sup>rd</sup> generation wireless technology becomes commercially available, data rates of more than 1000 Kbps will be supported. As you can see, the deployment of next generation cellular network infrastructure throughout rural areas, made possible by universal service support, will

result in the availability of advanced telecommunications services to all consumers and the fulfillment of the promises of the Telecommunications Act of 1996.

## **The Western Wireless Story**

Western Wireless' entry into the local telecommunications market reflects a building block approach to the provisioning of advanced telecommunications services in rural America. Today, Western Wireless provides cellular service throughout the more than 100 rural service areas and small metro areas licensed to the Company covering approximately 25% of the landmass of continental US, but just over 3% of the population. The Company has expanded its cellular service offerings to include wireless residential service (WRS) in rural areas by using its existing cellular network infrastructure, including switching, high-bandwidth network facilities, cell sites, and wireless local loops, to provide new and innovative local telephone services to consumers, such as wireless local loop service. In a further expansion of its service offerings in rural areas, Western Wireless has aggressively pursued entry into the universal service market. The expansion of its network infrastructure in rural areas to provide WLL and universal service will enable Western Wireless to offer consumers advanced telecommunications services, including high-speed data services, using 3<sup>rd</sup> generation cellular technology and possibly local multipoint distribution service (LMDS).

### **Cellular Service Provider**

- Rural cellular service provider in 19 western states, including Nebraska and Iowa
- State-of-the-art telecommunications infrastructure in rural areas
- Deployment of 2.5 generation and 3<sup>rd</sup> generation technology capable of delivering advanced telecommunications services, including high-speed data services

### **Wireless Local Loop Provider**

- Industry leader in the deployment of wireless local loop service in rural America
- Sole provider of local telephone service to the residents of Reese and Antelope Valley, Nevada
- Competitive provider of local telephone service in Regent, North Dakota, community with a population of approximately 268

### **Universal Service Provider**

- Eligible Telecommunications Carrier (ETC) in Minnesota, North Dakota, and Kansas
- ETC applications pending before 11 state commissions and the FCC
- Planned launch of Universal Service in more than 100 markets by the end of 2000 with the first launch in Minnesota in April 2000
- ETC application pending before FCC for service to Indian reservation.

### **LMDS Licensee**

- LMDS licensee in 36 markets covering portions of Nebraska, North Dakota, South Dakota, Montana, Minnesota, Idaho, Iowa, Wyoming, Texas and Colorado

## WESTERN WIRELESS CORPORATION'S FEDERAL UNIVERSAL SERVICE POLICY AGENDA

### *Expand Deployment of Telecom Services to Native Americans*

- **Petition for Eligible Telecommunications Carrier (“ETC”) Status for the Pine Ridge Reservation in South Dakota:**  
The FCC should grant Western Wireless’s petition for Pine Ridge.
- **Petition for ETC Status for the Crow Reservation in Montana:**  
The FCC should grant Western Wireless’s petition for the Crow Reservation.
- **Reconsideration of FCC’s Twelfth Report and Order on Universal Service:**  
Expedite and simplify the process of designating eligible telecommunications carriers to serve tribal lands.

### *Facilitate Competitive Entry in High-Cost and Rural Areas*

- **Further Notice of Proposed Rulemaking (issued with Twelfth Report and Order on Universal Service):**  
Require state commissions to complete the process of designating ETCs expeditiously (*i.e.*, within six months).
- **USTA v. FCC (D.C. Circuit appeal of FCC’s ETC Declaratory Ruling):**  
Urge court to affirm that states may not deny ETC status to new entrants on the grounds that they do not yet provide ubiquitous universal service.
- **Petition for ETC Status for the State of Wyoming:**  
The public interest requires the FCC to designate Western Wireless as a competitive ETC in rural telco areas, as well as other parts of Wyoming.

### *Reform the Universal Service Funding System In Rural Areas*

- **Rural Task Force Recommendation on Rural Universal Service Funding and related proceedings:**  
All universal service support must be competitively neutral, explicit, and portable to competitive carriers. Also, to protect consumers across the nation who ultimately pay for universal service, funding should not grow by an excessive amount.